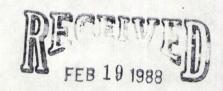
I. GENERAL INFORMATION

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
Telephone: (801) 538-5340

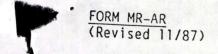


OIL, GAS & MINING

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

1.	Report Time Period: From (mo./yr.) 1/87 To (mo./yr.) 12/87		
2.	DOGM File Number (original notice): M / 027 / 007		
3.	Mine Name: Drum Mine		
4.	Mineral(s) Mined: _Gold		
5.		or Company: <u>Western States Minerals Corporation</u>	
6.	Permanent Address:		
		Wheat Ridge, Colorado 80033	
7.	Company Representa Name:	tive (or designated operator):Tom Hughes	
	Title:	Mining Engineer	
	Address:	4975 Van Gordon Street, Wheat Ridge, Colorado 80033	
	Phone:	303-425-7042	
	$ \overline{X} $ Please check previous year	if any of the above information has changed since	
II. MIN	ING AND RECLAMATION		
1.	Was the mine active during the past year? Yes $ X $ No $ X $		
2.	If active, how much ore or mineral was mined? No mining - Leaching		
	Exploration, and ev	valuation of satellite orebodies.	
052V		Over	



	The state of the s	ew or additional surface disturbances that st year. This description should include the , volume of material moved, and the acreage	
	None		
4.	Briefly describe the re year. This description employed, and an evalua None	clamation work performed during the past should include acreage reclaimed, methods tion of the results.	
	Hone		
5.	What was the total unreclaimed acreage at years end? Same as previous year		
6.	and reclamation planned for the upcoming year. Inderway to determine if additional ore can be		
	mined. No firm plans pending results of studies.		
III. ADD	ITIONAL INFORMATION		
1.	An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.		
2.	Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.		
IV. SIGNA	TURE REQUIREMENT	and any area area area area.	
I her	eby certify that the fore	going is true pand/confrect.	
	Signature of Operator:	Thomas h-Hughan	
	Name (Typed or Print):	Thomas L. Hughes	
	Title of Operator:	Mining Engineer	
]	Date:	2-16-88	

Western States Minerals Corporation

4975 Van Gordon Street Wheat Ridge, Colorado 80033 (303) 425-7042 TELEX NO. 450186 West States

1

Mr. Lowell Braxton Administrator, Mineral Resource Development and Reclamation Program Dept. of Oil, Gas, and Mining 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203



DIVISION OF OIL, GAS & MINING

Dear Mr. Braxton;

Attached is the 1987 annual report for the Drum Mine.

Sincerely,

Thomas L. Hughes